

RFD02RED

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: **CONTRACT**

NAME OF CONTRACTOR: GRAND JUNCTION RURAL FIRE PROTECTION
DISTRICT AND THE REDLANDS SUBDISTRICT

SUBJECT/PROJECT: PORTION OF THE CITY LYING WEST OF THE
GUNNISON RIVER AND SOUTH OF THE COLORADO RIVER

CITY DEPARTMENT: FIRE DEPARTMENT

YEAR: 2002

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

**Agreement Regarding Fire Protection Services
Between the City of Grand Junction and the Grand Junction Rural Fire
Protection District and the Redlands Subdistrict**

This Agreement between the City of Grand Junction, the Grand Junction Rural Fire Protection District, and the Grand Junction Rural Fire Protection District Redlands Subdistrict is made this 21st day of November, 2002.

Recitals.

- A. For Purposes of this Agreement, the following terms shall have the following meanings:
1. "Agreement" shall mean this Agreement between the City, the District, and the Subdistrict.
 2. "Base Contract" shall mean the November 6, 2001 Memorandum of Agreement between the City and the District, as amended herein, whereby the City provides fire protection services to all areas within the District in exchange for payment by the District based on a formulae that primarily considers the number of calls for service generated within the District.
 3. "Board" shall mean the Board of Directors of the District. The Board also serves as the governing body of the Subdistrict.
 4. "City" shall mean the City of Grand Junction, a Colorado home-rule municipal corporation.
 5. "District" shall mean the Grand Junction Rural Fire Protection District, a quasi-municipal corporation of the state of Colorado existing pursuant to Title 32, Article 1 of the Colorado Revised Statutes.
 6. "District Revenues" shall mean, with regard to taxable property within the District but outside of the Subdistrict, all ad valorem property tax revenue received from the imposition of the District-wide mill levy ("District mill levy", currently 7.596); PLUS the Specific Ownership ("SO") tax revenues that are proportional to the District mill levy with regard to the taxable property located within the District but outside the Subdistrict; PLUS District interest income on fund balances(s) and reserves; PLUS other revenues of the District.
 7. "Fire protection services" shall mean the services provided to the District by the City pursuant to the Base Contract and this Agreement. Acting

through its Fire Department, the City shall provide equivalent fire protection services to the District, and the Subdistrict, as the City provides to the rest of the City.

8. "Full staffing" means the personnel, equipment and services provided by the City's Fire Department at and from the existing four (4) fire stations in the City. The City Council may modify such personnel, equipment and services from time-to-time at any such fire station(s). The City may change the "full staffing" provided at a Station 5 on the Redlands pursuant to this Agreement so long as the full staffing provided on the Redlands is substantially equivalent to that provided at and from the other City fire stations. Any modification of the staffing of Station 5 shall be subject to the requirements for fire protection services as defined herein.
9. "Initial term" means January 1, 2003 through December 31, 2012.
10. "Parties" shall mean collectively two (2) or more parties to this Agreement.
11. "Party" shall mean any one of the parties to this Agreement singularly.
12. "Redlands" shall mean the Subdistrict and the portion of the City lying west of the Gunnison River and south of the Colorado River.
13. "SO tax" or "SO taxes" shall mean specific ownership taxes and the revenues derived there from.
14. "Station 5" shall mean City fire station No. 5 which the City agrees to construct within the Redlands area.
15. "Subdistrict" shall mean the Grand Junction Rural Fire Protection District Redlands Subdistrict, organized and governed by the Board pursuant to Resolution No. 2002-0910A and to Section 32-1-1101 (1)(f) and (1.5), C.R.S. The Subdistrict is a part of the District and is located wholly within the Redlands. As of the date of this Agreement, the Subdistrict does not include any lands within the City's municipal boundaries. The legal description of the boundary of the Subdistrict is set forth in District Resolution No. 2002-0910A.
16. "Subdistrict revenues" shall mean: all ad valorem property tax revenue received from a new (currently 4.904) mill levy approved by the Subdistrict's electors at the November 5, 2002 special election ("Subdistrict mill levy"); PLUS the SO taxes that are proportional to the

Subdistrict mill levy; PLUS, with regard to taxable property within the Subdistrict only, all ad valorem property tax revenue received from the imposition of the District mill levy; PLUS the SO taxes that are proportional to the District mill levy with regard to the taxable property within the Subdistrict only.

- B. For many years the City has provided fire protection services to the District in exchange for payment by the District to the City pursuant to the Base Contract.
- C. The Board has created the Subdistrict to improve services to its residents and taxpayers. The City agrees that the operating costs of Station 5 will be budgeted, appropriated and expended on a generally uniform and equitable basis with the City's other fire stations. The Parties expect that the existence of Station 5 will reduce response times in the Redlands, thereby improving fire protection generally in the Redlands, the District, the Subdistrict and the City.
- D. It is anticipated that in the future the District Revenues may not generate sufficient revenue to fully pay for the costs of fire protection services provided to the District pursuant to the Base Contract as modified herein. If such event occurs during the initial term, the payment requirements of Section 9 shall apply. If such event occurs subsequent to the initial term, the parties agree to attempt to renegotiate the payment provisions of this contract, and in the event the parties are unable to agree to acceptable terms for payment, either party may terminate this agreement at the end of the then current year without additional obligation for service or payment.
- E. The City has determined to build a new station on the Redlands, and operate some level of response services from that station, to provide better fire protection for City citizens to be served by such a new facility. Details of such a facility, and the personnel to be assigned, have not been previously determined by the City Council. If the District and Subdistrict revenues are available to the City as provided herein, the City agrees to construct and thereafter staff a Station 5 on the Redlands at a full staffing level.
- F. The District desires to increase its payments to the City from that provided in the Base Contract by paying the Subdistrict revenues so that the City will provide full staffing at Station 5, and continue to provide fire protection services for the remainder of the District under the Base Contract, as amended herein.
- G. Pursuant to the terms of this Agreement the payment to the City by the District of all Subdistrict Revenues for full staffing of Station 5 will reduce the

property tax and SO taxes from the District that are available for payment to the City under the Base Contract. The Parties predict that, during the initial term hereof, because a large percentage of the District's total "calls for service" are for service within the Subdistrict, the net effect of the changes contemplated by this Agreement will be that the reduced District revenues available for payment under the Base Contract will be close to sufficient to meet the District's obligations to pay the City based on a "calls for service" basis pursuant to the Base Contract, as amended herein, for the reduced number of District calls generated outside the Subdistrict.

H. The Parties enter into this Agreement so that the City will build and operate a fully staffed station within the Redlands, and so that the City will continue to provide fire protection service to the remainder of the District pursuant to the Base Contract as amended. In exchange for such City services and construction, the District will pay to the City all Subdistrict revenues, as defined herein, and a portion of District revenues as required herein, including the requirements of section 9 of this Agreement.

NOW THEREFORE BE IT AGREED:

1. The foregoing "Recitals" are substantive terms and provisions of this Agreement and are incorporated into this Agreement.
2. a) The City shall continue to provide fire protection services to the District pursuant to the Base Contract, as amended, and the District shall pay the City based on the calls for service formulae in the Base Contract, as amended. In applying such formulae, the "calls for service" within the Redlands and the costs associated with the operation of Station 5 shall not be included.
- b) The "Base Contract" is hereby modified so that the "calls for service," and the District payments are calculated as follows:

All budget calculations are based on the period from each September 1 to the next August 31. Calls for service are used to determine the District's percentage of calls. In accordance with this Agreement, calls for service occurring in the Redlands are backed out of the total calls for service of the City's Fire Department before the calculation of the Base Contract amount. Total calls occurring in the District less those occurring in the Redlands are then divided by the adjusted total calls for service of the Fire Department to determine the District's percentage of calls. By way of example only, and not for actual application to the amounts due for service provided by the

City in 2002, the District's cost for service shall be calculated as follows:

- i) Total calls for service in 2001 = 7,403
 - ii) Redlands calls for service in 2001 = 636
 - iii) Adjusted total calls for service in 2001 = 6,767
 - iv) Adjusted District calls for service in 2001 = 984
 - v) District's percentage of calls for 2001 = $984/6767 = 0.1454$ or 14.5%
- c) The proposed Fire operations budget less major capital, certain operating capital items, hazardous materials costs, and fire prevention program costs are removed from the Department's budget to arrive at an adjusted base budget. The adjusted base budget is then multiplied by the District's prior year percentage of calls for service to arrive at the District's cost of service for emergency response. By way of example only, and not for actual application to the amounts due for service provided by the City in 2002, the District's cost for service shall be calculated as follows:
- i) 2002 total projected budget = 7,219,147
 - ii) 2002 adjusted budget for District calculation - \$5,992,171
 - iii) 2002 projected District cost of operations = $\$5,992,171 \times 0.145 = \$868,865$
- d) The proposed Fire Prevention Program budget is handled as a separate component of the District's annual cost allocation. The multiplier used against the Fire Prevention Program is the percentage of fire prevention activity occurring in the District. By way of example only, and not for actual application to the amounts due for service provided by the City in 2002, the District's cost for service shall be calculated as follows:
- i) 2002 total fire prevention budget = \$366,682
 - ii) District's percentage of fire prevention activity = 4%
 - iii) 2002 District cost for fire prevention = $\$366,682 \times 0.04 = \$14,667$
- e) The District's projected operations cost as determined by section c) above plus the District's projected fire prevention cost as determined by section d) above produce the District's projected cost of service. The City shall notify the District of the projected cost of service for the following year no later than September 15 of each year. By way of example only, and not for actual application to the amounts due

for service provided by the City in 2002, the District's total cost for service shall be calculated as follows:

- i) Projected 2002 District Cost \$868,865 (operations) + \$14,667 (prevention) = \$883,532
 - f) No later than each July 31 during the term hereof, the City shall reconcile the final calls for service numbers relative to the prior calendar year and shall notify the District of such reconciliation, including the underlying data. Such reconciliation and adjustment shall include three (3) components: (i) any change based on the actual calls for service for the prior year in the District as a percentage of the calls for service for the entire Fire Department, however the calls for service in the Subdistrict shall be excluded from both calculations; (ii) The actual costs of operating the services and programs of the City's Fire Department, as verified by the City's regular audit, less any service revenue generated in the District excluding the Subdistrict, and less the costs of Station 5, are multiplied by the percentage of calls for service in the District, as calculated pursuant to (i), above; (iii) The final calculation, as described in (i) and (ii), above, will result in a change in the costs of service from that originally budgeted, which corrected number will be added to or subtracted from the amount otherwise payable to the City on each July 31st.
3. a) If District revenues, plus any non-TABOR restricted reserves, are insufficient to pay all amounts owed to the City based on the Base Contract as amended herein, the District shall pay the City as provided in section 9 of this Agreement.
- b) After the initial term hereof, if District revenues are insufficient to fully pay to the City any payment due pursuant to the Base Contract as amended herein, the parties agree to attempt to renegotiate the payment provisions of this Agreement. In the event the parties are unable to agree to acceptable terms for payment, either party may terminate this Agreement at the end of the then current year without additional obligation for service or payment; however, the District shall have the option, in its sole discretion, to extend this Agreement for one additional year following notice of termination by the City under this subsection 3.b) so long as the City is reasonably compensated for the Fire Protection services provided hereunder, pursuant to the terms of this Agreement or such alternate terms as may be agreed to by the Parties.

4. The Board, acting for the District and for the Subdistrict, shall pay to the City each year a portion of District revenues as specified in the Base Contract as amended herein, including the provisions of section 9 of this Agreement, plus all of the Subdistrict revenues pursuant to this Agreement.
5. Unless prohibited by law, the District and the Subdistrict shall impose each of the property tax mill levies described in this Agreement, and the Base Contract, at the current millages or higher and the District shall continue to take such actions and steps so that the District revenues and Subdistrict revenues are assessed, collected and paid to the City. The Board shall take such steps as necessary to see that the revenues required to be paid to the City under this Agreement and the Base Contract, as amended, are received by the City.
6. In the event that, any calendar year, the District's reserves are sufficient so that the District could make a refund or tax credit for that calendar year, and the District can meet its payment obligations provided for herein, the District may, with the consent of the City which consent shall not be unreasonably withheld, issue a refund or tax credit for said calendar year.
7. The Base Contract is hereby amended to make clear that the City will provide services under the Base Contract and this Agreement only if payment provided for under this Agreement and the Base Contract as amended by this Agreement are paid to the City Financial and Administrative Services Department on or before each July 31st and January 31st during the term hereof, beginning July 31, 2003, unless otherwise agreed to by the City. The final payment under the Base Contract, prior to the amendments hereunder, shall be made to the City on or before December 31, 2002, unless otherwise agreed to by the City.
8. On or before December 31, 2002, the District shall transfer to the City title to the District's fire apparatus ("Engine") which has been operated by the City for several years. In exchange the parties shall credit the fair market value of said Engine, one-third against each of the July 31, 2003, January 31, 2004 payments and one-sixth against each of the July 31, 2004 and January 31, 2005 payments. The parties agree that the fair market value of said Engine is \$165,000.00. The Engine will carry a lien in favor of the District which will be released upon the final payment of the City.

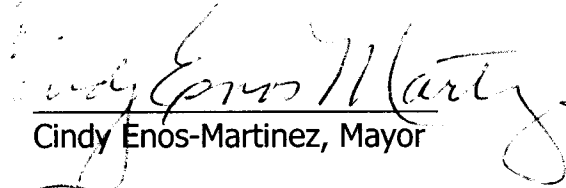
9. During the initial term hereof, if District revenues from all sources are insufficient to fully pay for the City's services as provided in the Base Contract as amended herein each July 31st and January 31st, the District agrees to use any District fund balance and/or reserves, less and except the amounts specified in Section 9, a) and b) to pay to the City the amounts required by this Agreement and the Base Contract. If during the initial term hereof, District revenues are insufficient and payment of the amount due the City would otherwise reduce the District's fund balances and reserves to zero, the District shall pay all District revenues and fund balances to the City as payment for services pursuant to the Base Contract as amended hereby, less and except for amounts:
 - a) required by TABOR to be reserved;
 - b) up to \$80,000 (net of County Treasurer fees for property tax collection) for all other District expenses, which amount may be increased based upon actual need of the District with the approval of the City, which approval shall not be unreasonably withheld. Actual need shall include all reasonable costs of complying with legal requirements and obligations, and costs associated with District elections.
10. Any District surpluses invested by the District shall be set aside and only spent, and/or appropriated to be spent so as to allow the District to fulfill its payment obligations to the City under the Base Contract as amended herein.
11. It is expected but not warranted that properties in the Subdistrict will benefit from a new fire station and the services provided under the Base Contract and this Agreement.
12. Neither the District nor the Subdistrict, nor any subsidiary or entity controlled by either, will budget, appropriate or spend any funds, accounts or other money other than as described herein, without the approval of the City, which approval shall not be unreasonably withheld.
13. The Parties agree to make their books and records available to the each other for review and copying at their regular place of deposit, or at the office of the other Party, at the choice of the producing Party, in accordance with the Colorado Open Records Act.
14. a) This Agreement shall terminate on December 31, 2012 unless extended prior thereto as provided below.

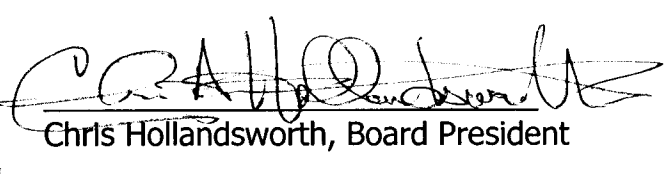
- b) The Base Contract is hereby amended so that its provisions regarding termination and extension shall be identical to the terms hereof *i.e.*, ten (10) years ending on December 31, 2012.
 - c) Any party may terminate this Agreement without cause on the giving of 24 months notice.
 - d) Unless one of the parties gives written notice during the initial term of the Base Contract or this Agreement, respectively, the Base Contract and this Agreement, respectively, shall automatically be extended for a successive five (5) year term; notwithstanding the foregoing, neither this Agreement nor the Base Contract can be extended or in effect unless the other is in effect or extended for identical period(s).
15. Subject to Article XX, Section 10 of the Colorado Constitution, this Agreement and the Base Contract are subject to annual appropriation by the Parties of amounts necessary to fulfill the various obligations, payments and services provided.
16. Except as expressly amended herein (*e.g.*, for calculation of the payments due under the Base Contract, the addition of payment of all Subdistrict revenues for operation of Station 5, the revision of its term and termination provisions), the Base Contract shall remain in full force and effect.
17. The Parties agree to work cooperatively to implement Section 32-1-502, C.R.S. to exclude from the District and Subdistrict properties that are annexed to the City. To that end, the City shall annually seek exclusion from the District and Subdistrict all properties previously annexed to the City in that year.

Signed this 26th day of November, 2002

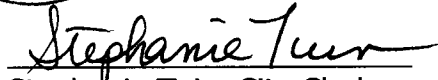
CITY OF GRAND JUNCTION

GRAND JUNCTION RURAL FIRE
PROTECTION DISTRICT and the GRAND
JUNCTION RURAL FIRE PROTECTION
DISTRICT REDLANDS SUBDISTRICT


Cindy Enos-Martinez, Mayor


Chris Hollandsworth, Board President




Stephanie Tuin, City Clerk

ATTEST:


Robert Dixon, Board Secretary

EXHIBIT A

**GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
REDLANDS SUBDISTRICT**

Beginning at a Point on the South Line of Section 36, Township 1 South, Range 1 West, of the Ute Meridian in Mesa County, Colorado where the West Bank of the Gunnison River intersects said South line; thence Northerly along said West bank of the Gunnison River to the confluence of the Colorado River; thence Northwesterly along the South bank of the Colorado River to the point where the said river bank intersects the North boundary line of Section 15, Township 11 South, Range 101 West of the 6th P.M.; thence West along the North boundary line of Sections 15, 16 and 17, Township 11 South, Range 101 West of the 6th P.M., to the East boundary line of the Colorado National Monument; thence in a Southeasterly direction along the boundary line of the Colorado National Monument to the point where it intersects the South line of Section 32, Township 1 South, Range 1 West, of the Ute Meridian; thence East along the South boundary line of Sections 32, 33, 34, 35 and 36, Township 1 South, Range 1 West of the Ute Meridian to the Point of Beginning; all in Mesa County, Colorado.

Excepting therefrom the City of Grand Junction, Colorado.